

SENATE BILL No. 340

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2.5.

Synopsis: Demand side management programs. Provides that a demand side management (DSM) program of an energy utility may not require participation by an industrial consumer of the energy utility. Requires the utility regulatory commission to modify a program that requires participation in a DSM program by industrial consumers.

Effective: July 1, 2014.

Merritt

January 14, 2014, read first time and referred to Committee on Utilities.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 340

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 8-1-2.5-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. (a) Notwithstanding
3 any other law or rule adopted by the commission, except those cited, or
4 rules adopted that pertain to those cited, in section 11 of this chapter,
5 in approving retail energy services or establishing just and reasonable
6 rates and charges, or both for an energy utility electing to become
7 subject to this section, the commission may do the following:
8 (1) Adopt alternative regulatory practices, procedures, and
9 mechanisms, and establish rates and charges that:
10 (A) are in the public interest as determined by consideration of
11 the factors described in section 5 of this chapter; and
12 (B) enhance or maintain the value of the energy utility's retail
13 energy services or property;
14 including practices, procedures, and mechanisms focusing on the
15 price, quality, reliability, and efficiency of the service provided by
16 the energy utility.



(2) Establish rates and charges based on market or average prices, price caps, index based prices, and prices that:

(A) use performance based rewards or penalties, either related to or unrelated to the energy utility's return or property; and

(B) are designed to promote efficiency in the rendering of retail energy services.

(b) This section:

(1) does not give a party to a collective bargaining agreement any greater rights under the collective bargaining agreement than the party had before January 1, 1995;

(2) does not give the commission the authority to order a party to a collective bargaining agreement to cancel, terminate, amend or otherwise modify the collective bargaining agreement; and

(3) may not be implemented by the commission in a way that would give a party to a collective bargaining agreement any greater rights under the collective bargaining agreement than the party had before January 1, 1995.

(c) An energy utility electing to become subject to this section shall file with the commission an alternative regulatory plan proposing how the commission will approve retail energy services or just and reasonable rates and charges for the energy utility's retail energy service.

(d) The energy utility shall publish a notice of the filing of a petition under this section in a newspaper of general circulation published in any county in which the energy utility provides retail energy service.

(e) After notice and hearing, the commission may approve, reject, or modify the energy utility's proposed plan if the commission finds that such action is consistent with the public interest. However, the commission may not order that material modifications changing the nature, scope, or duration of the plan take effect without the agreement of the energy utility. The energy utility shall have twenty (20) days after the date of a commission order modifying the energy utility's proposed plan within which to, in writing, accept or reject the commission's order.

(f) An energy utility may withdraw a plan proposed under this section without prejudice before the commission's approval of the plan, or the energy utility may timely reject a commission order modifying its proposed plan under this section without prejudice. However, the energy utility may not file a petition for comparable relief under this section for a period of twelve (12) months after the date of the energy utility's withdrawal of its proposed plan or the date of the energy utility's rejection of the commission's order, whichever is applicable.



(g) Notwithstanding any other law or rule adopted by the commission, the commission may not approve an alternative regulatory plan proposed by an energy utility that mandates participation by an industrial consumer in a demand side management program of the energy utility. If, before July 1, 2014, the commission approved an energy utility's alternative regulatory plan that mandated participation by industrial consumers in a demand side management program, the commission shall, not later than December 31, 2014, modify the plan consistent with this subsection. The energy utility may accept or reject the commission's modification subject to subsections (e) and (f). If the energy utility rejects the commission's order modifying the plan, the energy utility shall:

- (1) comply with the order, notwithstanding the rejection; and
- (2) not later than June 30, 2015, submit to the commission a revised plan that does not mandate participation by industrial customers.

SECTION 2. IC 8-1-2.5-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6.1. (a) An energy utility may not recover demand side management program costs under 170 IAC 4-8 from an industrial consumer.

(b) If, on July 1, 2014, an energy utility is recovering demand side management program costs under 170 IAC 4-8 from an industrial consumer, the commission shall, not later than December 31, 2014, revise the energy utility's program to prohibit participation by industrial consumers. Concurrently with the revision, the commission and the energy utility shall:

- (1) evaluate the effect of the revision on other participating consumers of the energy utility; and
- (2) continue to revise the program as needed to ensure that the benefits and costs of the program are allocated among all participating consumers in a fair and economical way.

